

# Welfare Review Submission Template

## Pillar One: Simpler and sustainable income support system

Changes to Australia's income support system over time have resulted in unintended complexities, inconsistencies and disincentives for some people to work. Achieving a simpler and sustainable income support system should involve a simpler architecture, a fair rate structure, a common approach to adjusting payments, a new approach to support for families with children and young people, effective rent assistance, and rewards for work and targeting assistance to need.

### Simpler architecture

**Page 42 to 52** of the Interim Report considers the need for a simpler architecture for the income support system. The Reference Group proposes four primary payment types and fewer supplements. The primary payment types proposed are: a Disability Support Pension for people with a permanent impairment and no capacity to work; a tiered working age payment for people with some capacity to work now or in the future, including independent young people; a child payment for dependent children and young people; and an age pension for people above the age at which they are generally expected to work.

In shaping the future directions for a simpler architecture the Reference Group would like feedback on:

- What is the preferred architecture of the payment system?
- Should people with a permanent impairment and no capacity to work receive a separate payment from other working age recipients?
- How could supplements be simplified? What should they be?
- What are the incremental steps to a new architecture?

Family & Relationship Services Australia (FRSA) considers that in accordance with the principle of reducing red tape, the payment system should be simplified. This would make it easier for clients to access and navigate the system and streamline administration. All savings/efficiencies from administration (which costs approximately \$3BN) should be passed on to clients, either through increased pension rates, allowances or other payments and supplements (such as child care assistance, training). FRSA notes that Australia's total welfare expenditure (government and non-government) as a proportion of GDP was estimated at 13.3% in 2009, which is lower than the OECD average of 16.3%; and that Australia ranks 27<sup>th</sup> out of 33 countries (*Australia's Welfare 2013, p. 398*).

Those with a permanent impairment and no capacity to work should receive a separate payment from other working age recipients. For this client group, FRSA considers that Australia can do more than provide a pension payment that is "a standard of living which the community regards as acceptable... or achieves a basic but adequate standard of living" (Full Report, 2014, p.46).

Research by the Australian Institute of Family Studies based on the Longitudinal Survey of Australian Children (LSAC) identifies the correlation between financial wellbeing, the social capital and mental health of parents and the wellbeing and developmental outcomes of their children. Parents transitioning from joblessness or short part-time hours to long part-time hours or full-time work have improved financial wellbeing and this is associated with improved cognitive, social-emotional and developmental outcomes in their children. (DSS Occ Paper 48, p.vii). On this basis, FRSA supports policies that assist parents transitioning to increased working hours, where appropriate, on the condition that any changes to the system should not result in people being worse off. As a minimum, benefit rates should remain unchanged and extra support should be targeted to those who most need help to get job ready. While this approach aligns with the New Zealand model, caution should be exercised in a 'blanket' role out of this model in Australia. Different demographic, economic and jurisdictional factors must be taken into account and mean that what works well in one country may not translate as well in another.

FRSA notes that jobless families with children is high in Australia relative to other OECD countries (*OECD 2011*), partly due to the low employment rate of single parents and the relatively high proportion of children living in single parent families. Australia also has one of the highest rates of part-time employment and a significant number of children living with a parent in short part-time employment. FRSA notes the complexities associated with joblessness in that there are people who would like a job but are not actively looking or are not available for work. Reasons as to why include giving up hope, personal circumstances (eg carer responsibilities) or disability/ill health (DSS Occ Paper 48, p2). In some instances, additional income may result in a reduced government payment and increased taxes which results in a person earning extra income but being worse off. Cut-off points within the current income support and tax systems act as disincentives, particularly for parents, to increase work hours and should be reviewed.

FRSA notes the actuarial work undertaken in New Zealand, the many reviews of the Australian tax system and detailed economic analyses required to estimate, project and monitor costs of the income support system and impact of policy changes. FRSA considers that the review should focus on streamlining and improving transparency and ease of access to the income support system and that the level of actuarial analyses as done in New Zealand should also be conducted by the Australia Government. FRSA also notes the extensive data sets held by the Australian Institute of Health and Welfare and considers that better use should be made of these resources, as well as administrative data sets held by the Department of Education, Department of Employment, Department of Social Service, Department of Human Services and the Child Support Agency.

## Fair rate structure

Page 55 to 60 of the Interim Report considers changes that could be considered to rates of payment for different groups. In shaping the future directions for a fairer rate structure the Reference Group would like feedback on:

- How should rates be set, taking into account circumstances such as age, capacity to work, single/couple status, living arrangements and/or parental responsibilities?

**Note:** The page numbers refer to pages in the PDF version of the Interim Report.

Jobless families, single parent families, Aboriginals and Torres Strait Islanders, people with a disability, young people and people with multiple disadvantages are over-represented in jobless statistics. Individualised service packages, with a case management approach, are essential to assisting these client groups.

FRSA agrees that single parents, long-term unemployed people over 60, widows (born before 1955), people on the single allowance with disability and carers should receive higher working age payment rates. Income support packages for parents with children should also be higher than those for individuals and couples without children. FRSA supports eliminating the gap between allowance rates for adult students and unemployed adults and between youth and adult rates of allowances. FRSA supports the review of single rates and income support for families with children.

While half the differences in developmental outcomes between children in jobless families and those in full-time employment may be attributed to financial wellbeing, the remaining differences appear to be related to differences in the underlying characteristics of families (such as educational level, parenting style and nature of the neighbourhood) (*Occ Paper 48, pvii*). Researchers have also identified the limitations of LSAC data with regard to understanding children's wellbeing outcomes (eg parental intelligence) and the nature of the family environment (such as parental drug & alcohol abuse).

Key life transitions also change individuals' financial positions and financial wellbeing. Research indicates that age, employment and household income are positively associated with financial wellbeing. Becoming a single parent, separating from a spouse, long-term health conditions and reliance on welfare have lower levels of financial wellbeing and people in these situations are more likely to experience financial deprivation. (*Occ. Paper 41, 2012, p.6*). The National Centre for Social and Economic Modelling (NATSEM) 2013 report states that poverty rates are highest amongst single parent families and that in 2011-12, the poverty rate for persons in single parent families was 19.3%, more than double that of couple families with children (8.9%). However, these two family types make up around 43% of all persons living in poverty (NATSEM p.16). Poverty rates for children (and adults) are strongly related to the education level of the family – an educational level lower than year 10 provides grim prospects for most families with around one in two families experiencing poverty (NATSEM p.22).

The process of setting rates needs to be flexible enough to target 'at risk' clients and allow for the assessment, weighting and ongoing review of all clients to ensure that they are receiving timely assistance at the level they need to transition to work as quickly as possible ; and that they are not living in poverty in the interim.

### **Common approach to adjusting payments**

**Page 60 to 64** of the Interim Report considers a common approach to adjusting payments to ensure a more coherent social support system over time. In shaping the future directions for a common approach to maintaining adequacy the Reference Group would like feedback on:

- What might be the basis for a common approach to adjusting payments for changes in costs of living and community living standards?

FRSA agrees that a common approach should be adopted and that measures of movements in living costs, frequency of adjustments and maintenance of value of payment are important features to a robust income support system.

FRSA considers that automatic indexation should be retained, with a two-part approach to benchmarking and indexation. Benchmarks should be relative to community standards of adequacy. FRSA supports ACOSS and CSSA in their recommendation for an independent commission to determine base rates of payment.

FRSA does not support any proposal that would result in people that are currently in receipt of income support being worse off. FRSA therefore considers that, as a minimum, the approach currently used for pensions (with CPI or Pensioner and Beneficiary Living Cost Index and Male Total Average Weekly Earnings as the benchmark) should be retained.

The NATSEM Report (Poverty, Social Exclusion and Disadvantage in Australia 2013) cites OECD comparisons of poverty rates in 2010 in which Australia ranked 26 out of 34 developed nations. NATSEM also cites ABS data that around 2.6 million (or 11.8%) of Australians live under the poverty line and that of these, almost one-quarter (618,000) are dependent children aged less than 25 years and 494,000 aged less than 15 years.

The Economic Roundup Report (Income Inequality in Australia, Issue 2, 2013) indicates that Australia has experienced a sustained period of solid real income growth, along with a modest increase in income inequality (p.12). The report states that the economy has been the largest factor in driving change in income inequality – employment growth has helped reduce wage income inequality, while growth in investment income has tended to increase income equality. The report concludes that Australia's tax and transfer system has been gradually playing a reduced role in determining the level of income inequality – partly because there is less to do (p.13). However, the NATSEM report finds that poverty rates, for all persons, have increased (2000-01 to 2011-12); that lower income groups have not benefited from the strong Australian economy to the same extent as middle and higher income households and that during the global financial crisis poverty rates increased for children. (NATSEM, p9)

### **Support for families with children and young people**

**Page 65 to 68** of the Interim Report considers how the payments could be changed to improve support to families with children and young people. In shaping the future directions for support for families with children and young people the Reference Group would like feedback on:

- How can we better support families with the costs of children and young people to ensure they complete their education and transition to work?
- In what circumstances should young people be able to access income support in their own right?

FRSA agrees that the range of packages available to assist children and young people is complex and should be simplified. FRSA agrees that payment rates should be reviewed to reflect the changing costs of children and youth over time.

FRSA notes that there are many children who live across more than one household or whose care arrangements change over time (ie grandparent/other relative or person is primary carer). These arrangements are complicated by the fact that they may be short or long term and may or may not be formalised.

Where an arrangement has been established for the care of a child, payments of a parenting allowance should follow the child rather than the parents. Important considerations that have been noted by FRSA member organisations include parents' reluctance to facilitate a payment transfer because the child-related payments are sustaining a lifestyle choice that has led to their inability to provide care for their children in the first place. FRSA notes that the complexity of family situations means the very reason that children need to be cared for by a person other than their parents may make the process for determining, who the carer is or needs to be, quite difficult. This difficulty is magnified within kinship arrangements.

Where parenting payments can be transferred, there are particular challenges that can prevent this process from being effective:

- The burden of 'proving' that the person caring for the child is eligible for payments often results in people (especially grandparents) giving up the process because it is too difficult to navigate. Further, they are often already struggling to adjust to taking on the role of carer for the child/ren,
- Determining what constitutes care arrangements – that is, the level of formality which needs to exist around the person responsible for the care of a child (parenting plan, court order, statutory declaration from parent etc),
- There can be unintended consequences when the parenting payment goes to a party other than the parent. For example, there is often shame associated with 'signing the kids away' and with the associated reduction in income which can induce fear that they are more at risk of 'losing' the child/ren permanently.

FRSA suggests that:

- Except in emergency situations, an appropriate assessment of a child's situation, wellbeing and needs, including the suitability of carers should be conducted (by a case manager),
- The process for assessing/determining the nature of care needed should be reviewed – for example, a 'once off' situation of care compared with longer term arrangement could mean different or parallel payments are offered,
- Clarification is needed on the type of 'proof', 'evidence' or substantiation required to demonstrate that the person requesting the payment is the appropriate person to be receiving it,
- More practical ways of supporting carers are needed to help them navigate a complex system with which they may be very unfamiliar. This includes providing information on the benefits to which they may be entitled such as respite care and assistance with practical matters such as support or legal information.

FRSA agrees that there is a need for clearer policy on when income support should be paid to a young person in their own right and that this should involve assessments of the young person's wellbeing, living circumstances and suitability of carers. FRSA agrees that the age of independence should be aligned for full-time and non full-time students.

## Effective rent assistance

**Page 68 to 71** of the Interim Report considers Rent Assistance and suggests a review to determine the appropriate level of assistance and the best mechanism for adjusting assistance levels over time. In shaping the future directions for Rent Assistance the Reference Group would like feedback on:

- How could Rent Assistance be better targeted to meet the needs of people in public or private rental housing?

FRSA agrees that Rent Assistance should be reviewed to determine appropriate levels of assistance and the best mechanism for adjustment over time. There is a need to redesign Rent Assistance to assist people particularly those in private rental with dependent children and young people (aged 16-24) on income support and living at home.

FRSA requests that changes to income support and rent assistance take into account the 'knock-on' effect of child support to avoid unintended consequences. For instance, the current Budget denies young people under 30 access to income support for up to six months of every year – young people have few choices about where to live, may return to the parental home and possibly to a single parent who is no longer eligible for a child support payment.

## Rewards for work and targeting assistance to need

**Page 72 to 78** of the Interim Report considers changes to means testing for improved targeting to need and better integration of the administration of the tax and transfers systems to improve incentives to work. In shaping the future directions for rewards for work and targeting assistance to need the Reference Group would like feedback on:

- How should means testing be designed to allow an appropriate reward for work?
- At what income should income support cease?
- What would be a simpler, more consistent approach to means testing income and assets?

FRSA supports means testing that targets those most in need and provides appropriate financial returns for those that are working. Consistent rules should apply to income and assets, taper rates and waiting periods. Favourably treating income from work, over other sources, could be achieved through reviewing taper rates and the tax system. FRSA considers that the policy drivers for review should be a reduction in poverty and income inequality within Australia; and that these policy principles should determine/inform cut off points and maintenance of value of payments over time.

FRSA refers to the *OECD'S Economic and Policy Reform (2012), Going for Growth, Reducing Income Inequality While Boosting Economic Growth* and notes that Australia is in the group of countries at the higher inequality end of household disposable income. Although Australia has targetted cash transfers and progressive taxes, its above average wage dispersion and high part-time rates drive inequality in labour earnings. (p.190). The OECD report identifies the following policies and institutions as drivers to addressing income inequality:

- education (especially equal access/increased graduation rates),
- well-designed labour market policies (eg relatively high minimum wage, job protection reforms, removing market regulation (that stifles competition),
- fostering the integration of immigrants, and
- sound tax and transfer systems
  - noting that in Australia, cash transfers are small but targetted which means that the redistributive effect is small, and personal income tax is progressive but could be strengthened by cutting back tax expenditure that benefits mainly high income groups (such as paid parental leave and superannuation) or removing other tax reliefs (such as negative gearing)

## **Pillar Two: Strengthening individual and family capability**

Reforms are needed to improve lifetime wellbeing by equipping people with skills for employment and increasing their self-reliance. To strengthen individual and family capability changes are proposed in the areas of mutual obligation, early intervention, education and training, improving individual and family functioning and evaluating outcomes.

### **Mutual obligation**

**Page 80 to 85** of the Interim Report considers more tailored and broadening of mutual obligation and the role of income management. In shaping the future directions for mutual obligation the Reference Group would like feedback on:

- How should participation requirements be better matched to individual circumstances?
- How can carers be better supported to maintain labour market attachment and access employment?
- What is the best way of ensuring that people on income support meet their obligations?
- In what circumstances should income management be applied?

FRSA notes that over a ten year period when various policy changes were implemented (such as shifting single parent pension recipients onto Newstart Allowance and implementing welfare to work reforms), the poverty rate for single parent households improved marginally (19.7 to 18.4%) but the poverty rate for couples with children households increased (7.3% to 8.6%) (NATSEM p.14). While in real terms earned incomes for single parents increased by 25.6% (from 2000-01 to 2011-12), it appears that not much has changed for the most disadvantaged (ie those living in poverty).

FRSA does not support the proposal that sanctions, suspensions and penalties should be managed by employment service providers. FRSA considers that administrative decisions should be made by the departmental agency (as or on behalf of the decision maker) responsible for administering the *Social Security Act* 1991. FRSA would have concerns regarding procedural fairness and review processes if these decisions were outsourced to service providers.

Those with complex needs or identified as being at risk of long term joblessness should be case managed with service responses tailored to need. For example, DHS social workers could be responsible for identifying risks, assessing needs, facilitating referrals/enrolments and monitoring client progress through regular meetings with them, other service providers and relevant agencies (such as child protection). FRSA notes the research that :

- jobless families have on average lower socioeconomic status (educational attainment, health, safety of neighbourhood and access to basic services);
- jobless parents experience worse mental health compared to those working full time; and
- children living in jobless families have poorer cognitive and social-emotional outcomes (Occ Paper48,pvii).

FRSA therefore supports training and assistance that builds and enhances life skills, parenting skills and financial literacy. FRSA also notes the research that particular life transition points create financial stress and that additional assistance should be targetted at these stages namely separation from a spouse, retrenchment and having a long term health condition. (Occ Paper 41, p.6)

FRSA considers that programs are more likely to be effective if engaged voluntarily rather than mandated; and that it is difficult for clients to benefit from these programs if basic needs are not met (housing, transport, etc). FRSA considers it critical that those living in poverty, or at risk of living in poverty, are prioritised and receive a tailored and case managed response. Member organisations provide parenting and early childhood programmes, with some involved with the Supporting Jobless Families Measure. Member organisations provide a range of family support services (from parenting education through to counselling and dispute resolution, group programs, supported playgroups, mental health, family violence and youth services ) to improve outcomes for families and children. This existing network could be further enhanced (funded) to assist the target group. These services have a long standing history with an evidence base that supports the effectiveness of their outcomes (AIFS' evaluations of family law system and communities for children).

FRSA considers that income management should only be implemented as a last resort, where a client has breached (at least three times) and/or where the client, or a dependent of the client, is at risk. FRSA refers to a paper by Cowling S., which cites work by FaHCSIA (Homel and Ryan 2010). The paper considers how income support recipients change their behaviour when faced with new incentives or requirements imposed by government, with insights into what works, what doesn't and why. To summarise, motivation for change will only be activated and maintained if conditions satisfy basic human needs for relatedness, competence and autonomy. These are fostered by interpersonal communication, opportunity for self-direction, an internal locus of control and non-demeaning evaluations. People need to feel respected and cared for (Homel and Ryan, 2010: 4-5). Perceptions of agency staff and of the wider agency/department also influence how people respond to conditions or sanctions. Environments that increase motivation –provide information, give participants choice and encourage them to work out their own strategies and solutions are effective. Less effective are environments that are threatening and highly controlling of behaviour and undermine motivation (Homel and Ryan, 2010: 6). (See Cowling,S., 2011, Using Compulsory Income Management to Induce Behavioural Change, [http://www.childrenyoungpeopleandfamilies.org.au/info/social\\_justice/submissions/presentations\\_and\\_speeches/?a=62358](http://www.childrenyoungpeopleandfamilies.org.au/info/social_justice/submissions/presentations_and_speeches/?a=62358)).

FRSA notes that the evaluation framework for place based income management mentions that a short term evaluation report has been completed. FRSA assumes that evaluation reports will be made publicly available and that the results from this evaluation will inform this review.



## **Early intervention**

**Page 85 to 88** of the Interim Report considers risk based analysis to target early intervention and investment and targeting policies and programmes to children at risk. In shaping the future directions for early intervention the Reference Group would like feedback on:

- How can programmes similar to the New Zealand investment model be adapted and implemented in Australia?
- How can the social support system better deliver early intervention for children at risk?

FRSA fully supports the delivery of early intervention and prevention services at all stages of the relationship lifecycle but particularly at times of partnering, parenting, transitioning from childhood to youth and youth to adulthood and re-partnering.

FRSA notes that the New Zealand model makes substantial investment in young people as they have the highest liability and that there are only two payments – youth payment and young parent payment. FRSA agrees with this approach but is concerned that all young people are income managed with only \$50 left as an in the hand allowance; and that first and second breaches result in suspension of payment and a third breach results in payments stopping immediately. Obligations must also be met and include working with a youth service provider and attending training, work-based learning, budgeting and parenting courses. The blanket compulsory income management approach is counter to the type of actions that are likely to induce behavioural change, as outlined earlier.

As stated earlier, FRSA considers that compulsory income management should not be the starting point for all young people. FRSA also considers that engagement with training, learning and other courses should initially be voluntary as these programs are more likely to be effective if clients are empowered to commit voluntarily and not under duress. Income management and mandatory obligations should be a last resort. FRSA assumes that appropriate supports are in place to assist young people to meet obligations (ie child care, transport). FRSA agrees that, as a minimum, participation in youth service should be voluntary for those at risk.

FRSA also refers to the UK's Cross-Party Manifesto, *The 1001 Critical Days*, which identifies the early years of life and adolescence as crucial periods of change and a key moment for brain development. The manifesto commits to early intervention on the basis that the earliest experiences shape brain development and have a lifelong impact on mental and emotional health. When development falls behind in the first year, it is much more likely to fall even further behind in subsequent years. Social and emotional development is strongly affected by quality of attachment with the carer and babies are disproportionately vulnerable to abuse and neglect. A 4-tiered approach to parent-infant services is outlined (from universal support for every parent to tertiary psychiatric intervention and parent-infant treatment). At risk families should be able to access evidence-based services and services should be engaged early. A range of services must be accessible in every local area. The UK requires maternity services, health visitors, social care, adult mental health services and Children's Centres to work closely together to share vital data, ensuring that those who need help receive appropriate, timely and culturally sensitive assistance. A similar approach could be applied to DSS and child protection agencies working closely with community health centres, Child and Family Centres and Communities for Children (facilitating partner) Programmes. <http://www.wavetrust.org/our-work/publications/reports/1001-critical-days-importance-conception-age-two-period>.

The ACT Government's Child and Family Centres are a one stop shop approach that co-locates the delivery of services for children and families, as well as providing outreach services in home, schools and the community. Services are child centred and family focussed and include parenting programs, playgroups, child behaviour and wellbeing clinics, maternal and child health clinics, adolescent mental health, family counselling, allied health services (drop in physiotherapy and speech therapy) and related community services (housing). Universal and targeted services are provided, with coordinated case management for children and families with complex and high levels of need. Integration is achieved by providing a range of services from the Centre through one team and through working in partnership with other government and community service providers. Community education and development are fostered through parenting projects and initiatives which seek to strengthen community capacity. An education and training network has also been developed to share experience, knowledge and training resources. Community partnerships are also essential to ensure greater integration of services and build community capacity.

[http://www.communityservices.act.gov.au/ocys/childandfamilycentres/about\\_us#centres](http://www.communityservices.act.gov.au/ocys/childandfamilycentres/about_us#centres)

## Education and Training

**Page 89 to 90** of the Interim Report considers the need for a stronger focus on foundation skills in both schools and vocational education and training, and on transitions from school to work. In shaping the future directions for education and training the Reference Group would like feedback on:

- What can be done to improve access to literacy, numeracy and job relevant training for young people at risk of unemployment?
- How can early intervention and prevention programmes more effectively improve skills for young people?
- How can a focus on 'earn or learn' for young Australians be enhanced?

FRSA agrees that transitions from education to work need to be improved and that vocational education and training should be better linked to available jobs. FRSA agrees that young people need to be encouraged to complete year 12 or alternatively a Certificate III or IV qualification linked to available jobs. Foundation skills (literacy and numeracy) are essential in both schools and vocational education. FRSA refers the review to the work of the National Centre for Vocational Education Research (NCVER) to better understand the reasons for the high drop-out rates (50%) of apprentices. Those that are likely to complete are older (over 25), in rural areas and have completed year 12. FRSA notes that for young people, the first 3 months and then 12 months are critical. Young people are particularly influenced by work conditions and nature of work, personal issues, moving, illness and access to public transport. Completion rates are higher for those apprentices that are associated with longer term benefits (electrical 2/3, food preparation 1/3). Factors that influence success include rigorous recruitment (right skills and temperament), mentoring (for both apprentice and employer). Government should reduce red tape (make reporting requirements for apprentice, employer and trainer as streamlined as possible). (NCVER, Bednarz, A., Occ Paper 12 June 2014, *Understanding the non-compliance of apprentices*). FRSA supports the Australian Apprenticeships Mentoring Program, Trade Support Loans, assistance with language, literacy and numeracy.

Keeping young people engaged with the education and training system is critical to improving their long term outcomes. FRSA notes the 2013 NCVER research which indicates that while Youth Allowance substantially improves course completion rate, it does alleviate financial hardship totally. Those on Youth Allowance are the least satisfied about their financial situation – they experience more incidents related to financial ‘stress’ than other young people. For example, they are substantially more likely to have had to borrow money from family or from others to live on than other individuals. (NCVER, Ryan, C., *Student income support and education and training participation in Australia*, Research Report 62).

It is difficult for young people to remain engaged if their basic needs are not being met (health, housing), they are living in poverty, are in fear for their safety or if they or their caregivers have mental health, drug and/or alcohol issues. Young people at risk of homelessness are particularly vulnerable and their needs are often multiple and complex. Support is required to access accommodation, money, food, health care, education and training, or to rebuild relationships. Addressing one of these issues in isolation from the other interconnected needs is unlikely to be as effective as a holistic intervention that addresses the overlapping multiple needs. (DSS Reconnect 2013). FRSA strongly supports the continued funding of the Family Mental Health Support Services (under the Disability, Mental Health and Carers Programme) as these services deliver intensive practical support services to children and young people affected by, or at risk of, mental illness and their families to help reduce the likelihood of developing mental illness later in life.

FRSA supports Reconnect services, previously funded under the Family Support Program, now under the Young People component of the Families and Communities Programme. These community based early intervention services assist young people aged 12 to 18 years who are homeless, or at risk of homelessness, and their families. Services assist young people to stabilise their living situation and improve their level of engagement with family, work, education, training and their local community. Counselling, group work, mediation and practical support is provided to the whole family. Specialist services are also ‘bought in’ to address individual needs of clients, such as specialised mental health services. A Departmental review (DSS Reconnect 2013) found that services were achieving positive impacts for clients (such as reducing risk of homelessness from 92% to 20%) as well as meeting or exceeding performance indicators. Service providers reported that assistance was needed for clients outside 12 to 18 years, particularly for siblings; and that the needs of the client group appear to be evolving with new and increasing proportions of specialist demographics presenting new challenges to all service providers. The funding status of these programs is unknown as they were not included in the recent DSS grant round.

[http://www.dss.gov.au/sites/default/files/documents/02\\_2013/dept\\_review\\_of\\_the\\_reconnect\\_program.pdf](http://www.dss.gov.au/sites/default/files/documents/02_2013/dept_review_of_the_reconnect_program.pdf)

FRSA supports the Commonwealth funding of early intervention and support programs to vulnerable families with children and young people who are showing early signs of, or at risk of, developing mental illness (under the Disability, Mental Health and Carers Programme). FRSA supports the Commonwealth funding of specialist services such as Kids in Focus and Specialised Family Violence. Kids in Focus services aimed to improve outcomes for children in families with substance misuse problems by providing integrated, long term and intensive support. Specialised Family Violence services assisted clients and their families to achieve and maintain positive family relationships, supporting the safety of all individuals affected by family violence. The service guidelines for the most recent DSS funding round did not specifically allow for the delivery of these specialised services.

## Improving individual and family functioning

**Page 90 to 93** of the Interim Report considers cost effective approaches that support employment outcomes by improving family functioning and the provision of services especially to people with mental health conditions to assist them to stabilise their lives and engage in education, work and social activities. In shaping the future directions for improving individual and family functioning, the Reference Group would like feedback on:

- How can services enhance family functioning to improve employment outcomes?
- How can services be improved to achieve employment and social participation for people with complex needs?

Please refer to FRSA's responses to questions on supporting families with children and young people, mutual obligation, early intervention, education and training, evaluating outcomes, building community capacity and improving pathways to employment for examples of services that enhance family functioning and social participation.

FRSA agrees that information sharing between Commonwealth and state jurisdictions should be improved (particularly with respect to health, education, child protection etc).

## Evaluating outcomes

**Page 93** of the Interim Report considers improved monitoring and evaluation of programmes aimed at increasing individual and family capability to focus on whether outcomes are being achieved for the most disadvantaged. In shaping the future directions for evaluating outcomes the Reference Group would like feedback on:

- How can government funding of programmes developing individual and family capabilities be more effectively evaluated to determine outcomes?

FRSA is actively engaged with and fully supports DSS's Draft Programme Performance and Data Collection Framework. However, a sector wide approach is also required.

FRSA calls for Government funding to support the Community Organisations Measuring Outcomes Alliance (COMO). The Alliance is a not-for-profit sector wide approach to developing and using an outcomes framework with a focus on the wellbeing of children and youth. The framework could be used by government and philanthropy, would reduce red tape and contribute to building the evidence base. The tool would support collective impact activities by measuring outcomes at the community and program level. This would be complemented by the Australian Research Alliance for Children and Youth's NEST which collects outcomes data at population level. The NEST details key evidence-based, preventive-focused priorities to improve child and youth wellbeing across Australia, and includes six operational principles and six priority directions to mobilise collective efforts to achieve this. <http://www.aracy.org.au/projects/the-nest>

FRSA considers that additional funding needs to be made available to conduct evaluations and that this will occur through DSS's Expert Panel. The Panel will help to build the capacity of service providers funded under the Families and Children Activity to deliver evidence-based programs and practices and continue to build this evidence base through evaluation, with a focus on prevention and early intervention approaches. FRSA notes that it is not intended that the work of the Panel will replace or circumvent research and evaluation activities that are already being undertaken by the sector.

Contrary to the international convention on children's rights, Australia is yet to establish an overarching outcomes framework which defines children wellbeing (more than just the absence of 'risk') and sets goals towards improvement. This would assist early intervention and measuring outcomes. The framework needs to allow for bottom up and top down planning, linking shorter and longer term measures. Family Life and Good Beginnings have done some work and are willing to share their experiences. Other examples include the State of Bendigo's Children Report <http://www.childfriendlycity.com.au/File.axd?id=a933f130-0c16-47d0-a473-2062dff69400> and State of East Gippsland's Children's Report <http://goodbeginnings.org.au/content/upload/files/GBA%20wellbeing%20report%20LR.pdf> . These reports contain models of local measurement and planning, informed by the community. They are tools for use by professionals, planners and community members who seek to improve a child's wellbeing. The reports contain key performance indicators that track how well the community is performing against the state average and where improvements are needed. The five priority areas are: developing well, safe and secure, engaged, learning and achieving and happy, healthy and active citizens. Australian Early Development Indices have been identified and are tracked under each of these priority areas.

### **Pillar Three: Engaging with employers**

Employers play a key role in improving outcomes for people on income support by providing jobs. Reforms are needed to ensure that the social support system effectively engages with employers and has an employment focus. These reforms include making jobs available, improving pathways to employment and supporting employers.

#### **Employment focus – making jobs available**

**Page 95 to 100** of the Interim Report considers what initiatives result in businesses employing more disadvantaged job seekers. In shaping the future directions for making jobs available the Reference Group would like feedback on:

- How can business-led covenants be developed to generate employment for people with disability and mental health conditions?
- How can successful demand-led employment initiatives be replicated, such as those of social enterprises?

FRSA supports corporate initiatives such as reciprocal arrangements with civil society organisations to develop individual action plans and individual business cases for inclusive recruitment. FRSA agrees that large corporations should act as 'champions', promoting and leading by example. Small to medium organisations should receive assistance from service providers to improve employment outcomes for people on income support as well as incentives (such as Restart Wage Subsidy paid to employers of mature age workers at six, 12, 18 and 24 months up to a maximum of \$10,000).

Labour force participation for people with a disability in 2009 was only 54%, close to half the rate for people without a disability (83%). Australia's poor performance in the employment of people with disability explains their low socio-economic status, with 45% living near or below the poverty line. Only 3% of employers use the Disability Employment Service when recruiting (costs \$750M annually). Reforms could include providing employment supports directly to the person with a disability who can choose the best provider and purchase the support they need to find and maintain employment.

Government agencies should be doing more to improve the employment outcomes for people with disability – the figure has declined from 5% in 1999 to 2.9% in 2012. FRSA supports more action, such as the introduction of a quota system. Education and employer reforms are also needed (completion of study for students with a disability is just over half that of all Australian students and negative attitudes held by employers are not evidenced in research and should be challenged).

FRSA awaits the outcomes of the NDIS review in Tasmania, where the state education department, the NDIS and the Department of Human Services are working together to test an integrated school-to-work transition project for students who will be in year 12 in 2014. FRSA notes that simple strategies are not the solution and a coalition of stakeholders such as people with disability, government as funder, disability services, employer and union representatives is needed to work together to identify solutions. Employer led initiatives such as job shadowing, mentoring, better work experience options, targeted procurement processes and support for self-employment could assist.

FRSA supports the full implementation of the NDIS, reforming Disability Employment Services (ie to facilitate the purchase of economic participation outcomes), targets/quotes for government agencies, allowing people to stay on the Disability Support Pension for a period after they move into base level jobs and tax incentives. (Employment and Disability: a complex problem with no simple solution – Dr George Taleporos, 13 Jan 2014 <http://www.abc.net.au/rampup/articles/2014/01/13/3922428.htm>)

## Improving pathways to employment

**Page 101 to 107** of the Interim Report considers the different pathways to employment for disadvantaged job seekers such as vocational education and training and mental health support models. In shaping the future directions for improving pathways to employment the Reference Group would like feedback on:

- How can transition pathways for disadvantaged job seekers, including young people, be enhanced?
- How can vocational education and training into real jobs be better targeted?
- How can approaches like Individual Placement and Support that combine vocational rehabilitation and personal support for people with mental health conditions be adapted and expanded?

FRSA notes that since 2011, people with mental illness as their primary disability are the largest group receiving disability support payments (DSP), that people with mental illness often become recipients of a DSP within a few years of the onset of illness and the main exit from DSP is to the aged pension. Mental illness is also a common presenting need for clients seeking family support services. FRSA supports Individual Placement and Support noting that it has been evaluated and has outperformed the comparison employment system (in North America, Europe, Asia and Australia, with 61% of people with mental illness receiving IPS returning to work) (Killackey, E., Associate Professor and Director of Psychosocial Research, University of Melbourne, 23/1/2014. <https://theconversation.com/welfare-to-work-a-different-approach-for-people-with-mental-illness-22293>)

FRSA refers the review to a whole of agency model that involves taking a public health approach to practice and programs promoting family wellbeing. The Drummond Street Relationship Centre embeds a public health framework to guide the development, delivery and evaluation of its family service programs. Screening and assessment is used to program match and treatment plan and enables early identification and targeting of issues. (Field, Pryor, Family Relationships Quarterly, Newsletter 15, 2010, AIFS, p.16). The range of interventions includes promotion and prevention, early intervention, treatment and recovery. Specific outcome measures are used for intimate couple relationship functioning, family functioning, parent-child relationships and health and wellbeing. This evaluative approach indicates that programs strengthen family relationships, including the capacity to positively parent as well as improve aspects of general health and wellbeing. <http://www.aifs.gov.au/afrc/pubs/newsletter/newsletter15.html#drummond>.

FRSA refers the review to research that indicates that the strongest association with depression and anxiety are lone parenthood and unemployment (especially when long term) (Butterworth, 2003; Crosier, Butterworth, & Rodgers, 2007). Financial hardship, which is indicated by lack of material resources and inability to afford essentials rather than by income alone, is an underlying feature. Adults with dependent children, especially mothers, are at increased risk for depression and anxiety, with the mothers of younger (pre-school) children having the highest risk. Past (own) relationship breakdown is also related to an increased risk of depression and anxiety (as seen in stepfamilies as well as lone parent families), as is parental separation in the family of origin even after many years (Rodgers, Power, & Hope, 1997). Improved connectedness between employment and family support services may assist with providing clients with the assistance they need to transition to work.

The needs of carers and family members who are impacted upon by a member's mental illness should be also attended to in their own right. This is in contrast to many current responses in the mental health service system that only consider these needs in relation to how they may benefit their unwell family member. There is also a public health opportunity within family relationship services to help ameliorate the stigma associated with mental illness and intervene early to prevent and reduce the risk and onset of mental health problems. (Robinson, Rodgers and Butterworth, *Family Relationships and mental illness: impacts and service responses*, AFRC issues no. 4 2008, <http://www.aifs.gov.au/afrc/pubs/issues/issues4.html> )

## Supporting employers

**Page 108 to 110** of the Interim Report considers what can be done to support employers employ more people that are on income support including better job matching, wage subsidies and less red tape. In shaping the future directions for supporting employers the Reference Group would like feedback on:

- How can an employment focus be embedded across all employment and support services?
- How can the job services system be improved to enhance job matching and effective assessment of income support recipients?
- How can the administrative burden on employers and job service providers be reduced?



FRSA supports wage subsidies such as the Restart Wage Subsidy (for mature workers) and the Job Commitment Bonus (for those aged 18-30) as incentives to employers and employees to obtain and retain work for extended periods. FRSA supports the reduction of red tape. FRSA also considers that tax incentives and improved transitioning/tapering from income support particularly to jobs with base payment rates should be adopted to encourage the long term unemployed to remain in the workforce.

## **Pillar Four: Building community capacity**

Vibrant communities create employment and social participation for individuals, families and groups. Investments by government, business and civil society play an important role in strengthening communities. Also, access to technology and community resilience helps communities build capacity. Building community capacity is an effective force for positive change, especially for disadvantaged communities.

### **Role of civil society**

**Page 112 to 116** of the Interim Report considers the role of civil society in building community capacity. In shaping the future directions for the role of civil society the Reference Group would like feedback on:

- How can the expertise and resources of corporates and philanthropic investors drive innovative solutions for disadvantaged communities?
- How can the Community Business Partnership be leveraged to increase the rate of philanthropic giving of individuals and corporates?
- How can disadvantaged job seekers be encouraged to participate in their community to improve their employment outcomes?

Clients who move from joblessness to short part-time work, or from short part time work to long part time or full time work should be recognised and promoted as agents for change. These people could mentor others in the system for a small incentive (ie annual bonus, reduced tax, additional child care/training assistance?).

FRSA refers to the AIFS evaluation of the communities for children programs (Family Matters No. 84, 2010) . The programs aim to improve coordination of services for children 0-5 years and their families, identify and provide services to address unmet needs, build community capacity to engage in service delivery and improve the community context in which children grow up. The evaluation found that the program had a significant impact on the number, types and capacity of services and improved coordination and collaboration between them ((p.3). Positive impacts on families included fewer children living in jobless households, less hostile or harsh parenting practice, more effective parenting, higher involvement in community service activities among parents with lower income, increased parental perception of community social cohesion in lower income household. (p.6). Some of the challenges included the time-frame (3-4 years not long enough) and limited pre-existing infrastructure or networks (in disadvantaged areas). Parental involvement in community activities, joblessness and social cohesion support the idea that “community embeddedness” may have an additional effect on children and families and that the provision of increased services on their own would not have achieved this aim.

The Commonwealth has committed to 5 year funding agreements with Communities for Children Facilitating Partners, with the expectation that 50% of providers will be delivering evidence based practices by 2016. FRSA fully supports the funding and delivery of these services and expects that their full effectiveness will become even more evident over time, particularly with the support of the Commonwealth funded Expert Panel. As the evidence base builds over time, the value of these services will hopefully be recognised more broadly. These sorts of programs are likely to benefit income managed clients, although evaluations have found that processes which engaged and empowered clients, through soft entries were much more effective than those that were directive, mandated and almost ‘punitive’ in nature. This made clients feel stigmatised, with high levels of shame and were less effective at bringing about behavioural change.

FRSA supports greater tax/other incentives to increase philanthropic activity in Australia. FRSA fully supports building community resilience – it is critical not just in communities affected by structural adjustment or natural disaster but those that are highly disadvantaged. Communities for children programs are already involved in this work. <http://www.aifs.gov.au/institute/pubs/fm2010/fm84/fm84d.html>

FRSA agrees that volunteering builds social capital in communities and notes that employed people (whether full time or part time) had a higher volunteering rate than those who were unemployed or not in the labour force. FRSA notes that US research has found volunteering to be an effective pathway to employment but cannot comment on how this translates to the Australian environment. The US Corporation for National Security and Service has found that volunteers had a 27% higher likelihood of finding a job after being out of work than non-volunteers ; and that volunteering increases employment prospects by helping job seekers learn new skills, expand their networks and take on leadership roles. (*Volunteering as a pathway to employment*, <http://www.nationalservice.gov/impact-our-nation/research-and-reports/volunteering-pathway-employment-report>)

## Role of government

**Page 116 to 120** of the Interim Report considers the role of government in building community capacity. In shaping the future directions for the role of government the Reference Group would like feedback on:

- How can community capacity building initiatives be evaluated to ensure they achieve desired outcomes?
- How can the income management model be developed to build community capacity?

FRSA refers the review to work underway with DSS's Draft Programme Performance and Data Collection Framework, the Community Organisations Measuring Outcomes Alliance (COMO), ARACY's NEST (outcome data at population level), DSS-funded Expert Panel and local initiatives such as the State of Bendigo's Children Report. These are examples of work that either measure, plan and evaluate activities from the local level up.

FRSA notes the Andrew Forrest Report, the evaluations of income management in the NT and Cape York Welfare Reform evaluation report. Although some improvements have been made against some key performance indicators, it is important that outcomes continue to be monitored. Recent reports suggest that school attendance in some communities (such as Aurukun) has dropped off.

FRSA refers the review to analysis conducted by Unitingcare (Sally Cowling in 2009). Its findings are pertinent and point to the causes of child truancy being complex and multi-dimensional. Consequently, interventions such as the suspension or cancellation of welfare payments do not address problems at their root cause and are likely to be ineffective. Effective strategies include

- Facilitating access to quality early education and care;
- School-wide attendance programs based on school, family and community partnerships;
- Intensive ongoing interventions involving well-defined attendance policies, parental engagement via home visiting programs, and strengths-based family counselling;
- The development of individualised learning plans; and
- The employment of highly trained school staff who are able to build relationships based on mutual trust and respect and provide education that is relevant to the cultural background of the community within a focused learning environment.

(Cowling, S., UnitingCare

[http://www.childrenyoungpeopleandfamilies.org.au/\\_data/assets/pdf\\_file/0015/71106/Cowling\\_-\\_ACOSS\\_2009.pdf](http://www.childrenyoungpeopleandfamilies.org.au/_data/assets/pdf_file/0015/71106/Cowling_-_ACOSS_2009.pdf)

FRSA agrees that income management reforms need to be closely monitored and evaluated and is concerned about community-imposed rather than individualised approaches. Flexibility within the system, to enable an individualised approach where needed, is essential.

## Role of local business

Page 121 to 123 of the Interim Report considers the role of local business in building community capacity. In shaping the future directions for the role of local business the Reference Group would like feedback on:

- How can communities generate opportunities for micro business to drive employment outcomes?
- How can mutuals and co-operatives assist in improving the outcomes for disadvantaged communities?

FRSA notes the role of local business (Enterprise learning projects), micro finance schemes, mutuals and cooperatives in improving outcomes for disadvantaged communities and driving employment outcomes

## Access to technology

Page 124 to 125 of the Interim Report considers access to affordable technology and its role in building community capacity. In shaping the future directions for access to technology the Reference Group would like feedback on:

- How can disadvantaged job seekers' access to information and communication technology be improved?

FRSA notes the workVentures social enterprise targeted at disadvantaged and young people by providing participants the basics of computer assembly and information technology skills. However, getting social enterprise projects often requires considerable upfront commitment (on the part of NFP), often with low and/or non-ongoing commitment in return. It is worth noting that the more effective ventures have had the backing of larger organisations (BHP ) and Lotteries West. However, member organisations continue to explore opportunities to engage with the business/corporate sector to increase service capacity.

## Community Resilience

**Page 125 to 126** of the Interim Report considers how community resilience can play a role in helping disadvantaged communities. In shaping the future directions for community resilience the Reference Group would like feedback on:

- What strategies help build community resilience, particularly in disadvantaged communities?
- How can innovative community models create incentives for self-sufficiency and employment?

FRSA considers that a collective impact approach brings together the best that government, community organisations, educational and philanthropic organisations, business, and communities have to offer to collectively address social issues in their communities. FRSA supports collective action that is community led. FRSA notes the success of Promise Neighbourhoods across 60 US communities. FRSA also notes the five conditions that are needed to drive community change : developing a common agenda across diverse partners; building a shared measurement framework to mark progress; working toward aligned activities across organizations; continuous communications and the investment in a backbone infrastructure to drive change forward. (Kania and Kramer, FSG Social Impact Consultants, 'Collective Impact'  
<http://www.fsg.org/tabid/191/ArticleId/211/Default.aspx?srpush=true>.

FRSA recognises the importance of community resilience in achieving and maintaining individual and family wellbeing. Many member organisations are involved with projects that work closely with other not-for profits, state government services to support individuals and ultimately build community capacity. See previous examples outlined in this submission.

FRSA also refers the review to the work of the ten20 Foundation, a venture philanthropy organisation, that has identified 20 of the most disadvantaged communities in Australia with the aim of transforming the life pathways of vulnerable children and young people in these communities over the next 10 years. Real change requires long term planning, targeted servicing and ongoing funding. <http://www.ten20.com.au/>.

FRSA looks forward to learning about the work of Together SA , a newly established organisation that aims to contribute to large scale and sustainable change to difficult social problems in South Australian communities. <http://togethersa.org.au/>